

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
)	Chapter 11
COMPUTE NORTH HOLDINGS, INC., <i>et al.</i> , ¹)	
)	Case No. 22-90273 (MI)
Debtors.)	
)	(Jointly Administered)
)	
)	Objection Deadline: December 18, 2022 at
)	4:00 p.m. (prevailing Central Time)
)	
)	Re: Docket Nos. 91 & 256

**NOTICE OF ENTRY OF DE MINIMIS ASSET
SALE ORDER AND PROPOSED DE MINIMIS ASSET SALE
(TECHFACTORY, LLC)**

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), on September 22, 2022 (the “Petition Date”), in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). The Debtors are seeking to sell certain assets with a fair market value of under \$1,000,000, including but not limited to computing equipment containers, power transformers, fixtures and equipment, spare parts, and any other miscellaneous assets (the “De Minimis Assets”), or subset(s) thereof, free and clear of all liens, claims, encumbrances, and other interests.

PLEASE TAKE FURTHER NOTICE that by order dated October 24, 2022 [Docket No. 256] (the “De Minimis Asset Sale Order”),² the Bankruptcy Court approved, among other things, certain procedures for the sale of De Minimis Assets (the “De Minimis Asset Sale Procedures”). All interested parties should carefully read the De Minimis Asset Sale Order and the De Minimis Asset Sale Procedures set forth therein. Copies of the De Minimis Asset Sale Order are available upon request to the Debtors’ claims and noticing agent, Epiq Corporate

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors’ service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the De Minimis Asset Sale Order.

Restructuring, LLC, at ComputeNorthHoldingsInfo@epiqglobal.com, and are available for download from the Case Website.

PLEASE TAKE FURTHER NOTICE that, in accordance with the De Minimis Asset Sale Procedures, the Debtors intend to sell or transfer the De Minimis Assets (the “De Minimis Asset Sale”) set forth on **Exhibit A** attached hereto (the “Sale Schedule”). In accordance with the De Minimis Asset Sale Procedures, the Asset Schedule identifies (a) the De Minimis Assets being sold or transferred, (b) the De Minimis Asset Purchaser and their relationship (if any) to the Debtors, (c) the selling price, and (d) the significant terms of the sale or transfer agreement, including, but not limited to, any payments to be made by the Debtors on account of commission fees to agents, brokers, auctioneers, and liquidators. Information regarding adequate assurance of future performance, if applicable, is being served concurrently herewith.

PLEASE TAKE FURTHER NOTICE that any objections to the De Minimis Asset Sale, the adequate assurance of future performance of the De Minimis Asset Sale Purchaser (if applicable), or the relief requested in connection therewith (a “Sale Objection”), must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) set forth the specific basis for the Sale Objection; (d) be filed with the Clerk of this Court, 515 Rusk Street, Houston, Texas 77002, together with proof of service, on or before 4:00 p.m. (prevailing Central Time) on December 18, 2022 (the “Sale Objection Deadline”); and (e) be served so as to be actually received on or before the Sale Objection Deadline, upon the following parties (the “Objection Notice Parties”): (i) counsel to the Debtors, Paul Hastings LLP, 600 Travis Street, 58th Floor, Houston, Texas 77002, Attn: James T. Grogan III (jamesgrogan@paulhastings.com); 200 Park Avenue, New York, New York 10166, Attn: Luc Despins, Sayan Bhattacharyya, and Daniel Ginsberg (lucdespins@paulhastings.com, sayanbhattacharyya@paulhastings.com, and danielginsberg@paulhastings.com); and 71 South Wacker Drive, Suite 4500, Chicago, Illinois 60606, Attn: Matthew Micheli and Michael Jones (mattmicheli@paulhastings.com and michaeljones@paulhastings.com); (ii) proposed counsel to the official committee of unsecured creditors appointed in these Chapter 11 Cases (the “Committee”), McDermott Will & Emery LLP, 2501 North Harwood Street, Suite 1900, Dallas, Texas 75201, Attn: Charles R. Gibbs (crgibbs@mwe.com); One Vanderbilt Avenue, New York, New York 10017, Attn: Kristin K Going, Darren Azman, Stacy A. Lutkus, and Natalie Rowles (kgoing@mwe.com, dazman@mwe.com, salutkus@mwe.com, and nrowles@mwe.com); and (iii) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn: Jayson B. Ruff and Jana Whitworth (Jayson.B.Ruff@usdoj.gov and Jana.Whitworth@usdoj.gov).

PLEASE TAKE FURTHER NOTICE THAT, SHOULD AN OBJECTION BE TIMELY FILED, THE DE MINIMIS ASSETS SHALL ONLY BE SOLD OR TRANSFERRED UPON SUBMISSION OF A CONSENSUAL FORM OF ORDER RESOLVING THE OBJECTION AS BETWEEN THE DEBTORS AND THE OBJECTING PARTY OR FURTHER ORDER OF THE COURT AFTER NOTICE AND A HEARING.

PLEASE TAKE FURTHER NOTICE THAT, IF A SALE OBJECTION IS NOT FILED AND SERVED ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE DE MINIMIS ASSET SALE ORDER, THEN THE

DEBTORS SHALL BE AUTHORIZED, PURSUANT TO THE DE MINIMIS ASSET SALE ORDER, TO CONSUMMATE THE PROPOSED DE MINIMIS ASSET SALE IN ACCORDANCE WITH THE TERMS SET FORTH ON THE ATTACHED SALE SCHEDULE WITHOUT FURTHER NOTICE OR HEARING, AND YOU SHALL BE DEEMED TO HAVE WAIVED AND RELEASED ANY RIGHT TO ASSERT SUCH AN OBJECTION.

Dated: December 13, 2022
Houston, Texas

/s/ James T. Grogan III

PAUL HASTINGS LLP

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Counsel to the Debtors and Debtors in Possession

Exhibit A to De Minimis Asset Sale Notice**Sale Schedule¹**

De Minimis Assets being sold	<p>Item 1: Nvidia DGXA-100 AI/GPU server; DGX1 Serial Number – 1660322000168</p> <p>Item 2: Nvidia DGXA-100 AI/GPU server; DGX2 Serial Number – 1660322000183</p> <p>Item 3: Pavilion Hyperparallel Flash Array System</p> <p>Item 4: Eaton ePDU G3 Managed 42U-C IN: L21-30P 24A 3P OUT: 21xC13:6xC19:1x5-20R L21-30P 21XC13/6XC19</p>
De Minimis Asset Purchaser and Relationship to Debtors	TechFactory, LLC is wholly-owned by David Perill, a current member of the Compute North Holdings, Inc. board of directors and the ex-chief executive officer of the Debtors.
Selling Price	\$250,000.00 cash
Material economic terms and conditions of the sale	<p>The Purchaser assumes the following liabilities: (a) all Transfer Taxes; (b) all Asset Taxes for which the Purchaser is responsible under the Asset Purchase Agreement; and (c) all Liabilities arising from the ownership, use or operation of the Purchased Assets after the Closing (including Liabilities in respect of Taxes for taxable periods, or portions thereof, beginning on or after the Closing Date).</p> <p>The Purchaser agrees to remove the Purchased Assets from their Specified Location no later December 30, 2022 and is responsible for any costs incurred in connection with removing the Purchased Assets, including transportation and shipping costs.</p>

¹ Capitalized terms used in this Sale Schedule but not otherwise defined in this Sale Schedule shall have the meanings ascribed to them in the Asset Purchase Agreement between TechFactory LLC and the Seller.